IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE S.SIRI JAGAN

TUESDAY, THE 3RD APRIL 2007 / 13TH CHAITHRA 1930

WP(C).No. 8605 of 2007(Y)

PETITIONER:

K.O.VARGHESE, S/O OUSEPH,
KALAPURAMBEN HOUSE, THIRUMUDIKUN,
KORATTY P.O., CHALAKUDY.

BY ADV. SRI.RENNY AUGUSTINE

RESPONDENT:

STATE BANK OF TRAVANCORE,
ANGAMALY BRANCH, ERNAKULAM DISTRICT
REPRESENTED BY ITS ASSISTANT GENERAL MANAGER.

BY ADV. SRI.SATHISH NINAN
SRI.SANTHOSH MATHEW

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 03/04/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

S. SIRI JAGAN, J.

W.P.(C)NO.8605 OF 2007

DATED THIS THE 3rd DAY OF APRIL, 2007

JUDGMENT

The petitioner is the father of the legal heirs of a borrower, who defaulted in repayment of loan amounts due from him to the respondent – Bank. The Bank has initiated proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002. The petitioner on behalf of the legal heirs of the borrower is challenging proceedings under the Act on the ground that no notice has been issued to the legal heirs under the Act before taking further proceedings. However, for the present, the petitioner would be satisfied with a direction to the respondent to consider the suggestion of the petitioner to accept Rs. 14 lakhs within a month and give some time to the petitioner to find out a buyer for the property so that he can obtain maximum price for the land which he may not be able to obtain, if the land is sold under the Act by the Bank. The Bank submits that they have willing to consider the contention of the petitioner, if the petitioner pays an amount of Rs.14 lakhs within one month. In the above circumstances, the writ petition is disposed of on the following terms.

The petitioner shall pay an amount of Rs.14 lakhs within one month from today. Thereafter the petitioner shall find out a buyer for the properties within three months therefrom and the Bank shall take appropriate steps to sell the property to the buyer brought in by the petitioner for the price agreed between the petitioner and the buyer if the said price is agreeable to the Bank. If the consideration agreed to be paid by the proposed buyer is agreeable to the Bank but not sufficient to cover the loan the Bank would be free to realise the balance by other methods. However, if the petitioner does not comply with the above conditions within the one month and 3 months respectively as stipulated above, it would be open to the respondent – Bank to continue proceedings now initiated without having to issue any fresh notice or proceedings in that regard. The Bank shall also consider the claim of the petitioner for one time settlement as per the Bank's guidelines.

S. SIRI JAGAN, JUDGE

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